

TRANSPORTATION BONDS – AMENDING COMMISSION RESOLUTION 671

BRIEFING PAPER

Prepared for the
APRIL 2006 TRANSPORTATION COMMISSION MEETING

Prepared by: Jeff Caldwell, Transportation Funds Manager
Reviewed by: Amy Arnis, Deputy Director, Strategic Planning and Programming
Approved by: Paula Hammond, Chief of Staff

PURPOSE:

The Department of Transportation will update the Commission on the amount of proceeds from bond sales appropriated in the 2005-2007 Transportation Budget (ESSB 6091, Chapter 313, 2005 Laws PV) as amended by the 2006 Supplemental Transportation Budget (SSB 6241, Chapter 370, 2006 Laws PV).

The Commission is requested to approve Commission Resolution 677, amending Resolution 671.

BACKGROUND:

One of the current powers, functions, and duties of the Transportation Commission is to approve the issuance and sale of all bonds authorized by the Legislature for capital construction of state highways (RCW 47.01.071(6)).

However, with the passage of SB 6800 (Chapter 334, 2006 Laws PV), resolutions from the Commission will no longer be needed regarding bond authority. As of July 1, 2006, the bond sale authority will be removed from the Commission with the repealing of RCW 47.01.071(6). Since SB 6800 does not take effect until July 1, 2006, we need this resolution from the Commission one last time under the old statute as the State Finance Committee bond authorization meeting is scheduled to take place in May 2006.

On May 18, 2005, the Department of Transportation presented to the Commission a listing of the bond sales needed to support the appropriations in the budget and the Commission approved Commission Resolution 671. With the enactment of ESB 5513 (Chapter 319, 2005 Laws PV), the option to delegate to the Secretary was repealed and the Commission Chair assumed the responsibility of requesting the timing and amounts of the bond sale requests made to the State Finance Committee.

The 2006 Supplemental Transportation Budget (SSB 6241, Chapter 370, 2006 Laws PV) was signed by the Governor on March 31, 2006. The Supplemental Transportation Budget contains three changes to appropriations funded from bond sales proceeds compared with the original budget for the 2005-2007 biennium:

1. The appropriation of proceeds from the sale of Referendum 49 bonds is reduced for Highway Construction Improvements (program I) by \$3 million and Washington State Ferries capital construction (program W) by \$31.05 million and increased Highway Preservation (program P) by \$6 million. This results in a net decrease of \$28.05 million for the Referendum 49 bonds from \$382.02 million to \$353.97 million.
2. The appropriation of proceeds from the sale of 2003 Transportation Package (Nickel) bonds is reduced by \$60 million from \$940 million to \$880 million.
3. The appropriation of proceeds from the sale of 2005 Transportation Partnership bonds is reduced by \$250 million from \$400 million to \$150 million.

DISCUSSION:

Resolution 677 amends Resolution 671, to reflect the amount of proceeds from bond sales appropriated in the 2005-2007 Transportation Budget (ESSB 6091, Chapter 313, 2005 Laws PV), as amended by the 2006 Supplemental Transportation Budget (SSB 6241, Chapter 370, 2006 Laws PV). Revised Attachment A to Resolution 671, displays the amount of proceeds from bond sales appropriated by program.

RECOMMENDATION:

Approve Commission Resolution 677, amending Commission Resolution 671.

For further information, contact: Jeff Caldwell at 360-704-6319 or Amy Arnis at 360-705-7525.